

February 13, 2012

Ms. Elizabeth Murphy
Secretary, U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549
USA

Subject: Section 1504 of the Dodd Frank Wall Street Reform Act, File No. S7-42-10

Dear Ms. Murphy:

Grupo FARO is a think-and-do tank, which promotes social change through dialogue, evidence-based research, citizenship participation and interaction of global networks dedicated to promote the wellbeing of people. We influence public policy to build a more democratic, innovative, sustainable and inclusive society through research, informed dialogue and collective action.

We would like to express our unconditional support to the Publish What You Pay (PWYP) initiative promoting the implementation of Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, towards the aim of having greater transparency in the global management of the extractive industries. We strongly believe that this law is an important breakthrough for the society's fight for disclosure of payments and can give Latin American countries, such as Ecuador, new tools to route oil and mining industry resources to their development. With open and detailed information about how much the biggest extractive companies pay to governments for the use of the nations' resources, citizens can enforce their rights to hold both of these actors accountable for their decisions.

In particular, we urge the Commission to issue a rule that **requires companies to report data at the project level**, in line with the recommendation from PWYP, in order to ensure that the information disclosed as a result of the rule is useful to project-affected communities. In addition, we ask that the Commission ensure that the rule applies to all companies with **no possibility for exemptions**. An exemption for companies that have secrecy laws would create an incentive for opaque regimes to tighten these laws and would undermine the objective of the legislation.

For the last three years we have been working very closely with oil industries and our national agencies to promote new standards of transparency. This experience only reminds us of the urgent need to regulate the practices of the extractive industries all over the world. Initiatives like provision 1504 add to the foundation for a strong transparency regime for extractive activity.

Ecuador is an example of the great efforts our region has done to make the use of resources more democratic and increase civil society participation. There exist different groups that work to promote civic participation in public policy and conduct research, such as the National Coalition for Extractive Industry Transparency, the Inter-institutional Group for Mining Dialogue and Peace and the Social Responsibility Platform of which Grupo FARO is an active member. All of these coalitions agree that transparency promotes economic and social development, reduces corruption at a national and local level in our countries and empowers citizens to make intergenerational decisions about how to distribute the extractive rent.

Once provision 1504 is effectively implemented, citizens will be able to know the payments that extractive industry companies in the United States and other countries have made to their governments, and if they have other charges that could affect the price of their shares traded on financial markets.

Yours sincerely,



Orazio Bellettini Cedeño
Executive Director
Grupo FARO